

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2048
95TH GENERAL ASSEMBLY

Reported from the Committee on Ways and Means, April 22, 2010, with recommendation that the Senate Committee Substitute do pass.

4879S.06C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 67.110, 67.2000, 137.243, 143.782, 143.790, and 144.030, RSMo, and to enact in lieu thereof seven new sections relating to taxation, with an emergency clause for certain sections.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 67.110, 67.2000, 137.243, 143.782 and 143.790, and
2 144.030, RSMo, are repealed and seven new sections enacted in lieu thereof, to
3 be known as sections 67.110, 67.2000, 137.243, 143.782, 144.018, 144.030, and 1,
4 to read as follows:

67.110. 1. Each political subdivision in the state, except counties and any
2 political subdivision located at least partially within any county with a charter
3 form of government or any political subdivision located at least partially within
4 any city not within a county, shall fix its ad valorem property tax rates as
5 provided in this section not later than September first for entry in the tax
6 books. Each political subdivision located, at least partially, within a county with
7 a charter form of government or within a city not within a county shall fix its ad
8 valorem property tax rates as provided in this section not later than October first
9 for entry in the tax books for each calendar year after December 31, 2008. Before
10 the governing body of each political subdivision of the state, except counties, as
11 defined in section 70.120, RSMo, fixes its rate of taxation, its budget officer shall
12 present to its governing body the following information for each tax rate to be
13 levied: the assessed valuation by category of real, personal and other tangible
14 property in the political subdivision as entered in the tax book for the fiscal year

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

15 for which the tax is to be levied, as provided by subsection 3 of section 137.245,
16 RSMo, the assessed valuation by category of real, personal and other tangible
17 property in the political subdivisions for the preceding taxable year, the amount
18 of revenue required to be provided from the property tax as set forth in the
19 annual budget adopted as provided by this chapter, and the tax rate proposed to
20 be set. Should any political subdivision whose taxes are collected by the county
21 collector of revenue fail to fix its ad valorem property tax rate by [September
22 first] **the date provided under this section for such political subdivision,**
23 then no tax rate other than the rate, if any, necessary to pay the interest and
24 principal on any outstanding bonds shall be certified for that year.

25 2. The governing body shall hold at least one public hearing on the
26 proposed rates of taxes at which citizens shall be heard prior to their
27 approval. The governing body shall determine the time and place for such
28 hearing. A notice stating the hour, date and place of the hearing shall be
29 published in at least one newspaper qualified under the laws of the state of
30 Missouri of general circulation in the county within which all or the largest
31 portion of the political subdivision is situated, or such notice shall be posted in
32 at least three public places within the political subdivision; except that, in any
33 county of the first class having a charter form of government, such notice may be
34 published in a newspaper of general circulation within the political subdivision
35 even though such newspaper is not qualified under the laws of Missouri for other
36 legal notices. Such notice shall be published or posted at least seven days prior
37 to the date of the hearing. The notice shall include the assessed valuation by
38 category of real, personal and other tangible property in the political subdivision
39 for the fiscal year for which the tax is to be levied as provided by subsection 3 of
40 section 137.245, RSMo, the assessed valuation by category of real, personal and
41 other tangible property in the political subdivision for the preceding taxable year,
42 for each rate to be levied the amount of revenue required to be provided from the
43 property tax as set forth in the annual budget adopted as provided by this
44 chapter, and the tax rates proposed to be set for the various purposes of
45 taxation. The tax rates shall be calculated to produce substantially the same
46 revenues as required in the annual budget adopted as provided in this
47 chapter. Following the hearing the governing body of each political subdivision
48 shall fix the rates of taxes, the same to be entered in the tax book. Failure of any
49 taxpayer to appear at such hearing shall not prevent the taxpayer from pursuit
50 of any other legal remedy otherwise available to the taxpayer. Nothing in this

51 section absolves political subdivisions of responsibilities under section 137.073,
52 RSMo, nor to adjust tax rates in event changes in assessed valuation occur that
53 would alter the tax rate calculations.

54 3. Each political subdivision of the state shall fix its property tax rates in
55 the manner provided in this section for each fiscal year which begins after
56 December 31, 1976. New or increased tax rates for political subdivisions whose
57 taxes are collected by the county collector approved by voters after September
58 first of any year shall not be included in that year's tax levy except for any new
59 tax rate ceiling approved pursuant to section 71.800, RSMo.

60 4. In addition to the information required under subsections 1 and 2 of
61 this section, each political subdivision shall also include the increase in tax
62 revenue due to an increase in assessed value as a result of new construction and
63 improvement and the increase, both in dollar value and percentage, in tax
64 revenue as a result of reassessment if the proposed tax rate is adopted.

67.2000. 1. This section shall be known as the "Exhibition Center and
2 Recreational Facility District Act".

3 2. Whenever not less than fifty owners of real property located within any
4 county of the first classification with more than seventy-one thousand three
5 hundred but less than seventy-one thousand four hundred inhabitants, or any
6 county of the first classification with more than one hundred ninety-eight
7 thousand but less than one hundred ninety-nine thousand two hundred
8 inhabitants, or any county of the first classification with more than eighty-five
9 thousand nine hundred but less than eighty-six thousand inhabitants, or any
10 county of the second classification with more than fifty-two thousand six hundred
11 but less than fifty-two thousand seven hundred inhabitants, or any county of the
12 first classification with more than one hundred four thousand six hundred but
13 less than one hundred four thousand seven hundred inhabitants, or any county
14 of the third classification without a township form of government and with more
15 than seventeen thousand nine hundred but less than eighteen thousand
16 inhabitants, or any county of the first classification with more than thirty-seven
17 thousand but less than thirty-seven thousand one hundred inhabitants, or any
18 county of the third classification without a township form of government and with
19 more than twenty-three thousand five hundred but less than twenty-three
20 thousand six hundred inhabitants, or any county of the third classification
21 without a township form of government and with more than nineteen thousand
22 three hundred but less than nineteen thousand four hundred inhabitants, or any

23 county of the first classification with more than two hundred forty thousand three
24 hundred but less than two hundred forty thousand four hundred inhabitants, or
25 **any county of the third classification with a township form of**
26 **government and with more than eight thousand nine hundred but fewer**
27 **than nine thousand inhabitants, or any county of the third**
28 **classification without a township form of government and with more**
29 **than eighteen thousand nine hundred but fewer than nineteen**
30 **thousand inhabitants, or any county of the third classification with a**
31 **township form of government and with more than eight thousand but**
32 **fewer than eight thousand one hundred inhabitants, or any county of**
33 **the third classification with a township form of government and with**
34 **more than eleven thousand five hundred but fewer than eleven**
35 **thousand six hundred inhabitants, desire to create an exhibition center and**
36 recreational facility district, the property owners shall file a petition with the
37 governing body of each county located within the boundaries of the proposed
38 district requesting the creation of the district. The district boundaries may
39 include all or part of the counties described in this section. The petition shall
40 contain the following information:

41 (1) The name and residence of each petitioner and the location of the real
42 property owned by the petitioner;

43 (2) A specific description of the proposed district boundaries, including a
44 map illustrating the boundaries; and

45 (3) The name of the proposed district.

46 3. Upon the filing of a petition pursuant to this section, the governing
47 body of any county described in this section may, by resolution, approve the
48 creation of a district. Any resolution to establish such a district shall be adopted
49 by the governing body of each county located within the proposed district, and
50 shall contain the following information:

51 (1) A description of the boundaries of the proposed district;

52 (2) The time and place of a hearing to be held to consider establishment
53 of the proposed district;

54 (3) The proposed sales tax rate to be voted on within the proposed district;
55 and

56 (4) The proposed uses for the revenue generated by the new sales tax.

57 4. Whenever a hearing is held as provided by this section, the governing
58 body of each county located within the proposed district shall:

59 (1) Publish notice of the hearing on two separate occasions in at least one
60 newspaper of general circulation in each county located within the proposed
61 district, with the first publication to occur not more than thirty days before the
62 hearing, and the second publication to occur not more than fifteen days or less
63 than ten days before the hearing;

64 (2) Hear all protests and receive evidence for or against the establishment
65 of the proposed district; and

66 (3) Rule upon all protests, which determinations shall be final.

67 5. Following the hearing, if the governing body of each county located
68 within the proposed district decides to establish the proposed district, it shall
69 adopt an order to that effect; if the governing body of any county located within
70 the proposed district decides to not establish the proposed district, the boundaries
71 of the proposed district shall not include that county. The order shall contain the
72 following:

73 (1) The description of the boundaries of the district;

74 (2) A statement that an exhibition center and recreational facility district
75 has been established;

76 (3) The name of the district;

77 (4) The uses for any revenue generated by a sales tax imposed pursuant
78 to this section; and

79 (5) A declaration that the district is a political subdivision of the state.

80 6. A district established pursuant to this section may, at a general,
81 primary, or special election, submit to the qualified voters within the district
82 boundaries a sales tax of one-fourth of one percent, for a period not to exceed
83 twenty-five years, on all retail sales within the district, which are subject to
84 taxation pursuant to sections 144.010 to 144.525, RSMo, to fund the acquisition,
85 construction, maintenance, operation, improvement, and promotion of an
86 exhibition center and recreational facilities. The ballot of submission shall be in
87 substantially the following form:

88 Shall the (name of district) impose a sales tax of one-fourth of one
89 percent to fund the acquisition, construction, maintenance, operation,
90 improvement, and promotion of an exhibition center and recreational facilities,
91 for a period of (insert number of years)?

92 YES NO

93 If you are in favor of the question, place an "X" in the box opposite "YES". If you
94 are opposed to the question, place an "X" in the box opposite "NO".

95 If a majority of the votes cast in the portion of any county that is part of the
96 proposed district favor the proposal, then the sales tax shall become effective in
97 that portion of the county that is part of the proposed district on the first day of
98 the first calendar quarter immediately following the election. If a majority of the
99 votes cast in the portion of a county that is a part of the proposed district oppose
100 the proposal, then that portion of such county shall not impose the sales tax
101 authorized in this section until after the county governing body has submitted
102 another such sales tax proposal and the proposal is approved by a majority of the
103 qualified voters voting thereon.

104 However, if a sales tax proposal is not approved, the governing body of the county
105 shall not resubmit a proposal to the voters pursuant to this section sooner than
106 twelve months from the date of the last proposal submitted pursuant to this
107 section. If the qualified voters in two or more counties that have contiguous
108 districts approve the sales tax proposal, the districts shall combine to become one
109 district.

110 7. There is hereby created a board of trustees to administer any district
111 created and the expenditure of revenue generated pursuant to this section
112 consisting of four individuals to represent each county approving the district, as
113 provided in this subsection. The governing body of each county located within the
114 district, upon approval of that county's sales tax proposal, shall appoint four
115 members to the board of trustees; at least one shall be an owner of a nonlodging
116 business located within the taxing district, or their designee, at least one shall
117 be an owner of a lodging facility located within the district, or their designee, and
118 all members shall reside in the district except that one nonlodging business
119 owner, or their designee, and one lodging facility owner, or their designee, may
120 reside outside the district. Each trustee shall be at least twenty-five years of age
121 and a resident of this state. Of the initial trustees appointed from each county,
122 two shall hold office for two years, and two shall hold office for four
123 years. Trustees appointed after expiration of the initial terms shall be appointed
124 to a four-year term by the governing body of the county the trustee represents,
125 with the initially appointed trustee to remain in office until a successor is
126 appointed, and shall take office upon being appointed. Each trustee may be
127 reappointed. Vacancies shall be filled in the same manner in which the trustee
128 vacating the office was originally appointed. The trustees shall not receive
129 compensation for their services, but may be reimbursed for their actual and
130 necessary expenses. The board shall elect a chair and other officers necessary for

131 its membership. Trustees may be removed if:

132 (1) By a two-thirds vote, the board moves for the member's removal and
133 submits such motion to the governing body of the county from which the trustee
134 was appointed; and

135 (2) The governing body of the county from which the trustee was
136 appointed, by a majority vote, adopts the motion for removal.

137 8. The board of trustees shall have the following powers, authority, and
138 privileges:

139 (1) To have and use a corporate seal;

140 (2) To sue and be sued, and be a party to suits, actions, and proceedings;

141 (3) To enter into contracts, franchises, and agreements with any person
142 or entity, public or private, affecting the affairs of the district, including contracts
143 with any municipality, district, or state, or the United States, and any of their
144 agencies, political subdivisions, or instrumentalities, for the funding, including
145 without limitation interest rate exchange or swap agreements, planning,
146 development, construction, acquisition, maintenance, or operation of a single
147 exhibition center and recreational facilities or to assist in such
148 activity. "Recreational facilities" means locations explicitly designated for public
149 use where the primary use of the facility involves participation in hobbies or
150 athletic activities;

151 (4) To borrow money and incur indebtedness and evidence the same by
152 certificates, notes, or debentures, to issue bonds and use any one or more lawful
153 funding methods the district may obtain for its purposes at such rates of interest
154 as the district may determine. Any bonds, notes, and other obligations issued or
155 delivered by the district may be secured by mortgage, pledge, or deed of trust of
156 any or all of the property and income of the district. Every issue of such bonds,
157 notes, or other obligations shall be payable out of property and revenues of the
158 district and may be further secured by other property of the district, which may
159 be pledged, assigned, mortgaged, or a security interest granted for such payment,
160 without preference or priority of the first bonds issued, subject to any agreement
161 with the holders of any other bonds pledging any specified property or
162 revenues. Such bonds, notes, or other obligations shall be authorized by
163 resolution of the district board, and shall bear such date or dates, and shall
164 mature at such time or times, but not in excess of thirty years, as the resolution
165 shall specify. Such bonds, notes, or other obligations shall be in such
166 denomination, bear interest at such rate or rates, be in such form, either coupon

167 or registered, be issued as current interest bonds, compound interest bonds,
168 variable rate bonds, convertible bonds, or zero coupon bonds, be issued in such
169 manner, be payable in such place or places, and be subject to redemption as such
170 resolution may provide, notwithstanding section 108.170, RSMo. The bonds,
171 notes, or other obligations may be sold at either public or private sale, at such
172 interest rates, and at such price or prices as the district shall determine;

173 (5) To acquire, transfer, donate, lease, exchange, mortgage, and encumber
174 real and personal property in furtherance of district purposes;

175 (6) To refund any bonds, notes, or other obligations of the district without
176 an election. The terms and conditions of refunding obligations shall be
177 substantially the same as those of the original issue, and the board shall provide
178 for the payment of interest at not to exceed the legal rate, and the principal of
179 such refunding obligations in the same manner as is provided for the payment of
180 interest and principal of obligations refunded;

181 (7) To have the management, control, and supervision of all the business
182 and affairs of the district, and the construction, installation, operation, and
183 maintenance of district improvements therein; to collect rentals, fees, and other
184 charges in connection with its services or for the use of any of its facilities;

185 (8) To hire and retain agents, employees, engineers, and attorneys;

186 (9) To receive and accept by bequest, gift, or donation any kind of
187 property;

188 (10) To adopt and amend bylaws and any other rules and regulations not
189 in conflict with the constitution and laws of this state, necessary for the carrying
190 on of the business, objects, and affairs of the board and of the district; and

191 (11) To have and exercise all rights and powers necessary or incidental
192 to or implied from the specific powers granted by this section.

193 9. There is hereby created the "Exhibition Center and Recreational
194 Facility District Sales Tax Trust Fund", which shall consist of all sales tax
195 revenue collected pursuant to this section. The director of revenue shall be
196 custodian of the trust fund, and moneys in the trust fund shall be used solely for
197 the purposes authorized in this section. Moneys in the trust fund shall be
198 considered nonstate funds pursuant to section 15, article IV, Constitution of
199 Missouri. The director of revenue shall invest moneys in the trust fund in the
200 same manner as other funds are invested. Any interest and moneys earned on
201 such investments shall be credited to the trust fund. All sales taxes collected by
202 the director of revenue pursuant to this section on behalf of the district, less one

203 percent for the cost of collection which shall be deposited in the state's general
 204 revenue fund after payment of premiums for surety bonds as provided in section
 205 32.087, RSMo, shall be deposited in the trust fund. The director of revenue shall
 206 keep accurate records of the amount of moneys in the trust fund which was
 207 collected in the district imposing a sales tax pursuant to this section, and the
 208 records shall be open to the inspection of the officers of each district and the
 209 general public. Not later than the tenth day of each month, the director of
 210 revenue shall distribute all moneys deposited in the trust fund during the
 211 preceding month to the district. The director of revenue may authorize refunds
 212 from the amounts in the trust fund and credited to the district for erroneous
 213 payments and overpayments made, and may redeem dishonored checks and drafts
 214 deposited to the credit of the district.

215 10. The sales tax authorized by this section is in addition to all other
 216 sales taxes allowed by law. Except as modified in this section, all provisions of
 217 sections 32.085 and 32.087, RSMo, apply to the sales tax imposed pursuant to
 218 this section.

219 11. Any sales tax imposed pursuant to this section shall not extend past
 220 the initial term approved by the voters unless an extension of the sales tax is
 221 submitted to and approved by the qualified voters in each county in the manner
 222 provided in this section. Each extension of the sales tax shall be for a period not
 223 to exceed twenty years. The ballot of submission for the extension shall be in
 224 substantially the following form:

225 Shall the (name of district) extend the sales tax
 226 of one-fourth of one percent for a period of (insert number of years) years to
 227 fund the acquisition, construction, maintenance, operation, improvement, and
 228 promotion of an exhibition center and recreational facilities?

229 YES NO

230 If you are in favor of the question, place an "X" in the box opposite "YES". If you
 231 are opposed to the question, place an "X" in the box opposite "NO".

232 If a majority of the votes cast favor the extension, then the sales tax shall remain
 233 in effect at the rate and for the time period approved by the voters. If a sales tax
 234 extension is not approved, the district may submit another sales tax proposal as
 235 authorized in this section, but the district shall not submit such a proposal to the
 236 voters sooner than twelve months from the date of the last extension submitted.

237 12. Once the sales tax authorized by this section is abolished or
 238 terminated by any means, all funds remaining in the trust fund shall be used

239 solely for the purposes approved in the ballot question authorizing the sales
240 tax. The sales tax shall not be abolished or terminated while the district has any
241 financing or other obligations outstanding; provided that any new financing, debt,
242 or other obligation or any restructuring or refinancing of an existing debt or
243 obligation incurred more than ten years after voter approval of the sales tax
244 provided in this section or more than ten years after any voter-approved
245 extension thereof shall not cause the extension of the sales tax provided in this
246 section or cause the final maturity of any financing or other obligations
247 outstanding to be extended. Any funds in the trust fund which are not needed
248 for current expenditures may be invested by the district in the securities
249 described in subdivisions (1) to (12) of subsection 1 of section 30.270, RSMo, or
250 repurchase agreements secured by such securities. If the district abolishes the
251 sales tax, the district shall notify the director of revenue of the action at least
252 ninety days before the effective date of the repeal, and the director of revenue
253 may order retention in the trust fund, for a period of one year, of two percent of
254 the amount collected after receipt of such notice to cover possible refunds or
255 overpayment of the sales tax and to redeem dishonored checks and drafts
256 deposited to the credit of such accounts. After one year has elapsed after the
257 effective date of abolition of the sales tax in the district, the director of revenue
258 shall remit the balance in the account to the district and close the account of the
259 district. The director of revenue shall notify the district of each instance of any
260 amount refunded or any check redeemed from receipts due the district.

261 13. In the event that the district is dissolved or terminated by any means,
262 the governing bodies of the counties in the district shall appoint a person to act
263 as trustee for the district so dissolved or terminated. Before beginning the
264 discharge of duties, the trustee shall take and subscribe an oath to faithfully
265 discharge the duties of the office, and shall give bond with sufficient security,
266 approved by the governing bodies of the counties, to the use of the dissolved or
267 terminated district, for the faithful discharge of duties. The trustee shall have
268 and exercise all powers necessary to liquidate the district, and upon satisfaction
269 of all remaining obligations of the district, shall pay over to the county treasurer
270 of each county in the district and take receipt for all remaining moneys in
271 amounts based on the ratio the levy of each county bears to the total levy for the
272 district in the previous three years or since the establishment of the district,
273 whichever time period is shorter. Upon payment to the county treasurers, the
274 trustee shall deliver to the clerk of the governing body of any county in the

275 district all books, papers, records, and deeds belonging to the dissolved district.

137.243. 1. To determine the "projected tax liability" required by
2 subsections 2 and 3 of section 137.180, subsection 2 of section 137.355, and
3 subsection 2 of section 137.490, the assessor, on or before March first of each
4 **odd-numbered** tax year, shall provide the clerk with the assessment book which
5 for this purpose shall contain the real estate values for that year, the prior year's
6 state assessed values, and the prior year's personal property values. On or before
7 March fifteenth, the clerk shall make out an abstract of the assessment book
8 showing the aggregate amounts of different kinds of real, personal, and other
9 tangible property and the valuations of each for each political subdivision in the
10 county, or in the city for any city not within a county, entitled to levy ad valorem
11 taxes on property except for municipalities maintaining their own tax or
12 assessment books. The governing body of each political subdivision or a person
13 designated by the governing body shall use such information to informally project
14 a nonbinding tax levy for that year and return such projected tax levy to the clerk
15 no later than April eighth. The clerk shall forward such information to the
16 collector who shall then calculate and, no later than April thirtieth, provide to the
17 assessor the projected tax liability for each real estate parcel for which the
18 assessor intends to mail a notice of increase pursuant to sections 137.180,
19 137.355, and 137.490.

20 2. Political subdivisions located at least partially within two or more
21 counties, which are subject to divergent time requirements, shall comply with all
22 requirements applicable to each such county and may utilize the most recent
23 available information to satisfy such requirements.

24 3. Failure by an assessor to timely provide the assessment book or notice
25 of increased assessed value, as provided in this section, may result in the state
26 tax commission withholding all or a part of the moneys provided under section
27 137.720 and all state per-parcel reimbursement funds which would otherwise be
28 made available to such assessor.

29 4. Failure by a political subdivision to provide the clerk with a projected
30 tax levy in the time prescribed under this section shall result in a twenty percent
31 reduction in such political subdivision's tax rate for the tax year, unless such
32 failure is a direct result of a delinquency in the provision of, or failure to provide,
33 information required by this section by the assessor or the clerk. If a political
34 subdivision fails to provide the projected tax rate as provided in this section, the
35 clerk shall notify the state auditor who shall, within seven days of receiving such

36 notice, estimate a nonbinding tax levy for such political subdivision and return
37 such to the clerk. The clerk shall notify the state auditor of any applicable
38 reduction to a political subdivision's tax rate.

39 5. Any taxing district wholly within a county with a township form of
40 government may, through a request submitted by the county clerk, request that
41 the state auditor's office estimate a nonbinding projected tax rate based on the
42 information provided by the county clerk. The auditor's office shall return the
43 projected tax rate to the county clerk no later than April eighth.

44 6. The clerk shall deliver the abstract of the assessment book to each
45 taxing district with a notice stating that their projected tax rates be returned to
46 the clerk by April eighth.

143.782. As used in sections 143.782 to 143.788, unless the context clearly
2 requires otherwise, the following terms shall mean and include:

3 (1) "Court", the supreme court, court of appeals, or any circuit court of the
4 state;

5 (2) "Debt", any sum due and legally owed to any state agency which has
6 accrued through contract, subrogation, tort, or operation of law regardless of
7 whether there is an outstanding judgment for that sum, court costs as defined in
8 section 488.010, RSMo, fines and fees owed, or any support obligation which is
9 being enforced by the division of family services on behalf of a person who is
10 receiving support enforcement services pursuant to section 454.425, RSMo[, or
11 any claim for unpaid health care services which is being enforced by the
12 department of health and senior services on behalf of a hospital or health care
13 provider under section 143.790];

14 (3) "Debtor", any individual, sole proprietorship, partnership, corporation
15 or other legal entity owing a debt;

16 (4) "Department", the department of revenue of the state of Missouri;

17 (5) "Refund", the Missouri income tax refund which the department
18 determines to be due any taxpayer pursuant to the provisions of this
19 chapter. The amount of a refund shall not include any senior citizens property
20 tax credit provided by sections 135.010 to 135.035, RSMo, unless such refund is
21 being offset for a delinquency or debt relating to individual income tax or a
22 property tax credit; and

23 (6) "State agency", any department, division, board, commission, office, or
24 other agency of the state of Missouri, including public community college districts
25 and housing authorities as defined in section 99.020, RSMo.

144.018. 1. Notwithstanding any other provision of law to the
2 contrary, except as provided under subsections 2 or 3 of this section,
3 when a purchase of tangible personal property or service subject to tax
4 is made for the purpose of resale, such purchase shall be either exempt
5 or excluded under this chapter if the subsequent sale is:

- 6 (1) Subject to a tax in this or any other state;
- 7 (2) For resale;
- 8 (3) Excluded from tax under this chapter;
- 9 (4) Subject to tax but exempt under this chapter; or
- 10 (5) Exempt from the sales tax laws of another state, if the
11 subsequent sale is in such other state.

12 The purchase of tangible personal property by a taxpayer shall not be
13 deemed to be for resale if such property is used or consumed by the
14 taxpayer in providing a service on which tax is not imposed by
15 subsection 1 of section 144.020, except purchases made in fulfillment of
16 any obligation under a defense contract with the United States
17 government.

18 2. For purposes of subdivision (2) of subsection 1 of section
19 144.020, a place of amusement, entertainment or recreation, including
20 games or athletic events, shall remit tax on the amount paid for
21 admissions or seating accommodations, or fees paid to, or in such place
22 of amusement, entertainment or recreation. Any subsequent sale of
23 such admissions or seating accommodations shall not be subject to tax
24 if the initial sale was an arms length transaction for fair market value
25 with an unaffiliated entity. If the sale of such admissions or seating
26 accommodations is exempt or excluded from payment of sales and use
27 taxes, the provisions of this subsection shall not require the place of
28 amusement, entertainment, or recreation to remit tax on that sale.

29 3. For purposes of subdivision (6) of subsection 1 of section
30 144.020, a hotel, motel, tavern, inn, restaurant, eating house, drugstore,
31 dining car, tourist cabin, tourist camp, or other place in which rooms,
32 meals, or drinks are regularly served to the public shall remit tax on
33 the amount of sales or charges for all rooms, meals, and drinks
34 furnished at such hotel, motel, tavern, inn, restaurant, eating house,
35 drugstore, dining car, tourist cabin, tourist camp, or other place in
36 which rooms, meals, or drinks are regularly served to the public. Any
37 subsequent sale of such rooms, meals, or drinks shall not be subject to

38 tax if the initial sale was an arms length transaction for fair market
39 value with an unaffiliated entity. If the sale of such rooms, meals, or
40 drinks is exempt or excluded from payment of sales and use taxes, the
41 provisions of this subsection shall not require the hotel, motel, tavern,
42 inn, restaurant, eating house, drugstore, dining car, tourist cabin,
43 tourist camp, or other place in which rooms, meals, or drinks are
44 regularly served to the public to remit tax on that sale.

45 4. The provisions of this section are intended to reject and
46 abrogate earlier case law interpretations of the state's sales and use tax
47 law with regard to sales for resale as extended in *Music City Centre*
48 *Management, LLC v. Director of Revenue, 295 S.W.3d 465, (Mo. 2009)*
49 *and ICC Management, Inc. v. Director of Revenue, 290 S.W.3d 699, (Mo.*
50 *2009)*.

144.030. 1. There is hereby specifically exempted from the provisions of
2 sections 144.010 to 144.525 and from the computation of the tax levied, assessed
3 or payable pursuant to sections 144.010 to 144.525 such retail sales as may be
4 made in commerce between this state and any other state of the United States,
5 or between this state and any foreign country, and any retail sale which the state
6 of Missouri is prohibited from taxing pursuant to the Constitution or laws of the
7 United States of America, and such retail sales of tangible personal property
8 which the general assembly of the state of Missouri is prohibited from taxing or
9 further taxing by the constitution of this state.

10 2. There are also specifically exempted from the provisions of the local
11 sales tax law as defined in section 32.085, RSMo, section 238.235, RSMo, and
12 sections 144.010 to 144.525 and 144.600 to 144.761 and from the computation of
13 the tax levied, assessed or payable pursuant to the local sales tax law as defined
14 in section 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.525
15 and 144.600 to 144.745:

16 (1) Motor fuel or special fuel subject to an excise tax of this state, unless
17 all or part of such excise tax is refunded pursuant to section 142.824, RSMo; or
18 upon the sale at retail of fuel to be consumed in manufacturing or creating gas,
19 power, steam, electrical current or in furnishing water to be sold ultimately at
20 retail; or feed for livestock or poultry; or grain to be converted into foodstuffs
21 which are to be sold ultimately in processed form at retail; or seed, limestone or
22 fertilizer which is to be used for seeding, liming or fertilizing crops which when
23 harvested will be sold at retail or will be fed to livestock or poultry to be sold

24 ultimately in processed form at retail; economic poisons registered pursuant to
25 the provisions of the Missouri pesticide registration law (sections 281.220 to
26 281.310, RSMo) which are to be used in connection with the growth or production
27 of crops, fruit trees or orchards applied before, during, or after planting, the crop
28 of which when harvested will be sold at retail or will be converted into foodstuffs
29 which are to be sold ultimately in processed form at retail;

30 (2) Materials, manufactured goods, machinery and parts which when used
31 in manufacturing, processing, compounding, mining, producing or fabricating
32 become a component part or ingredient of the new personal property resulting
33 from such manufacturing, processing, compounding, mining, producing or
34 fabricating and which new personal property is intended to be sold ultimately for
35 final use or consumption; and materials, including without limitation, gases and
36 manufactured goods, including without limitation slagging materials and
37 firebrick, which are ultimately consumed in the manufacturing process by
38 blending, reacting or interacting with or by becoming, in whole or in part,
39 component parts or ingredients of steel products intended to be sold ultimately
40 for final use or consumption;

41 (3) Materials, replacement parts and equipment purchased for use directly
42 upon, and for the repair and maintenance or manufacture of, motor vehicles,
43 watercraft, railroad rolling stock or aircraft engaged as common carriers of
44 persons or property;

45 (4) Replacement machinery, equipment, and parts and the materials and
46 supplies solely required for the installation or construction of such replacement
47 machinery, equipment, and parts, used directly in manufacturing, mining,
48 fabricating or producing a product which is intended to be sold ultimately for
49 final use or consumption; and machinery and equipment, and the materials and
50 supplies required solely for the operation, installation or construction of such
51 machinery and equipment, purchased and used to establish new, or to replace or
52 expand existing, material recovery processing plants in this state. For the
53 purposes of this subdivision, a "material recovery processing plant" means a
54 facility that has as its primary purpose the recovery of materials into a useable
55 product or a different form which is used in producing a new product and shall
56 include a facility or equipment which are used exclusively for the collection of
57 recovered materials for delivery to a material recovery processing plant but shall
58 not include motor vehicles used on highways. For purposes of this section, the
59 terms motor vehicle and highway shall have the same meaning pursuant to

60 section 301.010, RSMo. Material recovery is not the reuse of materials within a
61 manufacturing process or the use of a product previously recovered. The material
62 recovery processing plant shall qualify under the provisions of this section
63 regardless of ownership of the material being recovered;

64 (5) Machinery and equipment, and parts and the materials and supplies
65 solely required for the installation or construction of such machinery and
66 equipment, purchased and used to establish new or to expand existing
67 manufacturing, mining or fabricating plants in the state if such machinery and
68 equipment is used directly in manufacturing, mining or fabricating a product
69 which is intended to be sold ultimately for final use or consumption;

70 (6) Tangible personal property which is used exclusively in the
71 manufacturing, processing, modification or assembling of products sold to the
72 United States government or to any agency of the United States government;

73 (7) Animals or poultry used for breeding or feeding purposes;

74 (8) Newsprint, ink, computers, photosensitive paper and film, toner,
75 printing plates and other machinery, equipment, replacement parts and supplies
76 used in producing newspapers published for dissemination of news to the general
77 public;

78 (9) The rentals of films, records or any type of sound or picture
79 transcriptions for public commercial display;

80 (10) Pumping machinery and equipment used to propel products delivered
81 by pipelines engaged as common carriers;

82 (11) Railroad rolling stock for use in transporting persons or property in
83 interstate commerce and motor vehicles licensed for a gross weight of twenty-four
84 thousand pounds or more or trailers used by common carriers, as defined in
85 section 390.020, RSMo, in the transportation of persons or property;

86 (12) Electrical energy used in the actual primary manufacture, processing,
87 compounding, mining or producing of a product, or electrical energy used in the
88 actual secondary processing or fabricating of the product, or a material recovery
89 processing plant as defined in subdivision (4) of this subsection, in facilities
90 owned or leased by the taxpayer, if the total cost of electrical energy so used
91 exceeds ten percent of the total cost of production, either primary or secondary,
92 exclusive of the cost of electrical energy so used or if the raw materials used in
93 such processing contain at least twenty-five percent recovered materials as
94 defined in section 260.200, RSMo. There shall be a rebuttable presumption that
95 the raw materials used in the primary manufacture of automobiles contain at

96 least twenty-five percent recovered materials. For purposes of this subdivision,
97 "processing" means any mode of treatment, act or series of acts performed upon
98 materials to transform and reduce them to a different state or thing, including
99 treatment necessary to maintain or preserve such processing by the producer at
100 the production facility;

101 (13) Anodes which are used or consumed in manufacturing, processing,
102 compounding, mining, producing or fabricating and which have a useful life of
103 less than one year;

104 (14) Machinery, equipment, appliances and devices purchased or leased
105 and used solely for the purpose of preventing, abating or monitoring air pollution,
106 and materials and supplies solely required for the installation, construction or
107 reconstruction of such machinery, equipment, appliances and devices;

108 (15) Machinery, equipment, appliances and devices purchased or leased
109 and used solely for the purpose of preventing, abating or monitoring water
110 pollution, and materials and supplies solely required for the installation,
111 construction or reconstruction of such machinery, equipment, appliances and
112 devices;

113 (16) Tangible personal property purchased by a rural water district;

114 (17) All amounts paid or charged for admission or participation or other
115 fees paid by or other charges to individuals in or for any place of amusement,
116 entertainment or recreation, games or athletic events, including museums, fairs,
117 zoos and planetariums, owned or operated by a municipality or other political
118 subdivision where all the proceeds derived therefrom benefit the municipality or
119 other political subdivision and do not inure to any private person, firm, or
120 corporation;

121 (18) All sales of insulin and prosthetic or orthopedic devices as defined on
122 January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the
123 Social Security Act of 1965, including the items specified in Section 1862(a)(12)
124 of that act, and also specifically including hearing aids and hearing aid supplies
125 and all sales of drugs which may be legally dispensed by a licensed pharmacist
126 only upon a lawful prescription of a practitioner licensed to administer those
127 items, including samples and materials used to manufacture samples which may
128 be dispensed by a practitioner authorized to dispense such samples and all sales
129 of medical oxygen, home respiratory equipment and accessories, hospital beds and
130 accessories and ambulatory aids, all sales of manual and powered wheelchairs,
131 stairway lifts, Braille writers, electronic Braille equipment and, if purchased by

132 or on behalf of a person with one or more physical or mental disabilities to enable
133 them to function more independently, all sales of scooters, reading machines,
134 electronic print enlargers and magnifiers, electronic alternative and augmentative
135 communication devices, and items used solely to modify motor vehicles to permit
136 the use of such motor vehicles by individuals with disabilities or sales of
137 over-the-counter or nonprescription drugs to individuals with disabilities;

138 (19) All sales made by or to religious and charitable organizations and
139 institutions in their religious, charitable or educational functions and activities
140 and all sales made by or to all elementary and secondary schools operated at
141 public expense in their educational functions and activities;

142 (20) All sales of aircraft to common carriers for storage or for use in
143 interstate commerce and all sales made by or to not-for-profit civic, social, service
144 or fraternal organizations, including fraternal organizations which have been
145 declared tax-exempt organizations pursuant to Section 501(c)(8) or (10) of the
146 1986 Internal Revenue Code, as amended, in their civic or charitable functions
147 and activities and all sales made to eleemosynary and penal institutions and
148 industries of the state, and all sales made to any private not-for-profit institution
149 of higher education not otherwise excluded pursuant to subdivision (19) of this
150 subsection or any institution of higher education supported by public funds, and
151 all sales made to a state relief agency in the exercise of relief functions and
152 activities;

153 (21) All ticket sales made by benevolent, scientific and educational
154 associations which are formed to foster, encourage, and promote progress and
155 improvement in the science of agriculture and in the raising and breeding of
156 animals, and by nonprofit summer theater organizations if such organizations are
157 exempt from federal tax pursuant to the provisions of the Internal Revenue Code
158 and all admission charges and entry fees to the Missouri state fair or any fair
159 conducted by a county agricultural and mechanical society organized and
160 operated pursuant to sections 262.290 to 262.530, RSMo;

161 (22) All sales made to any private not-for-profit elementary or secondary
162 school, all sales of feed additives, medications or vaccines administered to
163 livestock or poultry in the production of food or fiber, all sales of pesticides used
164 in the production of crops, livestock or poultry for food or fiber, all sales of
165 bedding used in the production of livestock or poultry for food or fiber, all sales
166 of propane or natural gas, electricity or diesel fuel used exclusively for drying
167 agricultural crops, natural gas used in the primary manufacture or processing of

168 fuel ethanol as defined in section 142.028, RSMo, natural gas, propane, and
169 electricity used by an eligible new generation cooperative or an eligible new
170 generation processing entity as defined in section 348.432, RSMo, and all sales
171 of farm machinery and equipment, other than airplanes, motor vehicles and
172 trailers. As used in this subdivision, the term "feed additives" means tangible
173 personal property which, when mixed with feed for livestock or poultry, is to be
174 used in the feeding of livestock or poultry. As used in this subdivision, the term
175 "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and
176 other assorted pesticide carriers used to improve or enhance the effect of a
177 pesticide and the foam to mark the application of pesticides and herbicides
178 for the production of crops, livestock or poultry. As used in this subdivision, the
179 term "farm machinery and equipment" means new or used farm tractors and such
180 other new or used farm machinery and equipment and repair or replacement
181 parts thereon, and supplies and lubricants used exclusively, solely, and directly
182 for producing crops, raising and feeding livestock, fish, poultry, pheasants,
183 chukar, quail, or for producing milk for ultimate sale at retail, including field
184 drain tile, and one-half of each purchaser's purchase of diesel fuel therefor which
185 is:

- 186 (a) Used exclusively for agricultural purposes;
- 187 (b) Used on land owned or leased for the purpose of producing farm
188 products; and
- 189 (c) Used directly in producing farm products to be sold ultimately in
190 processed form or otherwise at retail or in producing farm products to be fed to
191 livestock or poultry to be sold ultimately in processed form at retail;

192 (23) Except as otherwise provided in section 144.032, all sales of metered
193 water service, electricity, electrical current, natural, artificial or propane gas,
194 wood, coal or home heating oil for domestic use and in any city not within a
195 county, all sales of metered or unmetered water service for domestic use:

- 196 (a) "Domestic use" means that portion of metered water service,
197 electricity, electrical current, natural, artificial or propane gas, wood, coal or
198 home heating oil, and in any city not within a county, metered or unmetered
199 water service, which an individual occupant of a residential premises uses for
200 nonbusiness, noncommercial or nonindustrial purposes. Utility service through
201 a single or master meter for residential apartments or condominiums, including
202 service for common areas and facilities and vacant units, shall be deemed to be
203 for domestic use. Each seller shall establish and maintain a system whereby

204 individual purchases are determined as exempt or nonexempt;

205 (b) Regulated utility sellers shall determine whether individual purchases
206 are exempt or nonexempt based upon the seller's utility service rate
207 classifications as contained in tariffs on file with and approved by the Missouri
208 public service commission. Sales and purchases made pursuant to the rate
209 classification "residential" and sales to and purchases made by or on behalf of the
210 occupants of residential apartments or condominiums through a single or master
211 meter, including service for common areas and facilities and vacant units, shall
212 be considered as sales made for domestic use and such sales shall be exempt from
213 sales tax. Sellers shall charge sales tax upon the entire amount of purchases
214 classified as nondomestic use. The seller's utility service rate classification and
215 the provision of service thereunder shall be conclusive as to whether or not the
216 utility must charge sales tax;

217 (c) Each person making domestic use purchases of services or property
218 and who uses any portion of the services or property so purchased for a
219 nondomestic use shall, by the fifteenth day of the fourth month following the year
220 of purchase, and without assessment, notice or demand, file a return and pay
221 sales tax on that portion of nondomestic purchases. Each person making
222 nondomestic purchases of services or property and who uses any portion of the
223 services or property so purchased for domestic use, and each person making
224 domestic purchases on behalf of occupants of residential apartments or
225 condominiums through a single or master meter, including service for common
226 areas and facilities and vacant units, under a nonresidential utility service rate
227 classification may, between the first day of the first month and the fifteenth day
228 of the fourth month following the year of purchase, apply for credit or refund to
229 the director of revenue and the director shall give credit or make refund for taxes
230 paid on the domestic use portion of the purchase. The person making such
231 purchases on behalf of occupants of residential apartments or condominiums shall
232 have standing to apply to the director of revenue for such credit or refund;

233 (24) All sales of handicraft items made by the seller or the seller's spouse
234 if the seller or the seller's spouse is at least sixty-five years of age, and if the total
235 gross proceeds from such sales do not constitute a majority of the annual gross
236 income of the seller;

237 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041,
238 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United
239 States Code. The director of revenue shall promulgate rules pursuant to chapter

240 536, RSMo, to eliminate all state and local sales taxes on such excise taxes;

241 (26) Sales of fuel consumed or used in the operation of ships, barges, or
242 waterborne vessels which are used primarily in or for the transportation of
243 property or cargo, or the conveyance of persons for hire, on navigable rivers
244 bordering on or located in part in this state, if such fuel is delivered by the seller
245 to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such
246 river;

247 (27) All sales made to an interstate compact agency created pursuant to
248 sections 70.370 to 70.441, RSMo, or sections 238.010 to 238.100, RSMo, in the
249 exercise of the functions and activities of such agency as provided pursuant to the
250 compact;

251 (28) Computers, computer software and computer security systems
252 purchased for use by architectural or engineering firms headquartered in this
253 state. For the purposes of this subdivision, "headquartered in this state" means
254 the office for the administrative management of at least four integrated facilities
255 operated by the taxpayer is located in the state of Missouri;

256 (29) All livestock sales when either the seller is engaged in the growing,
257 producing or feeding of such livestock, or the seller is engaged in the business of
258 buying and selling, bartering or leasing of such livestock;

259 (30) All sales of barges which are to be used primarily in the
260 transportation of property or cargo on interstate waterways;

261 (31) Electrical energy or gas, whether natural, artificial or propane, water,
262 or other utilities which are ultimately consumed in connection with the
263 manufacturing of cellular glass products or in any material recovery processing
264 plant as defined in subdivision (4) of this subsection;

265 (32) Notwithstanding other provisions of law to the contrary, all sales of
266 pesticides or herbicides used in the production of crops, aquaculture, livestock or
267 poultry;

268 (33) Tangible personal property and utilities purchased for use or
269 consumption directly or exclusively in the research and development of
270 agricultural/biotechnology and plant genomics products and prescription
271 pharmaceuticals consumed by humans or animals;

272 (34) All sales of grain bins for storage of grain for resale;

273 (35) All sales of feed which are developed for and used in the feeding of
274 pets owned by a commercial breeder when such sales are made to a commercial
275 breeder, as defined in section 273.325, RSMo, and licensed pursuant to sections

276 273.325 to 273.357, RSMo;

277 (36) All purchases by a contractor on behalf of an entity located in another
278 state, provided that the entity is authorized to issue a certificate of exemption for
279 purchases to a contractor under the provisions of that state's laws. For purposes
280 of this subdivision, the term "certificate of exemption" shall mean any document
281 evidencing that the entity is exempt from sales and use taxes on purchases
282 pursuant to the laws of the state in which the entity is located. Any contractor
283 making purchases on behalf of such entity shall maintain a copy of the entity's
284 exemption certificate as evidence of the exemption. If the exemption certificate
285 issued by the exempt entity to the contractor is later determined by the director
286 of revenue to be invalid for any reason and the contractor has accepted the
287 certificate in good faith, neither the contractor or the exempt entity shall be liable
288 for the payment of any taxes, interest and penalty due as the result of use of the
289 invalid exemption certificate. Materials shall be exempt from all state and local
290 sales and use taxes when purchased by a contractor for the purpose of fabricating
291 tangible personal property which is used in fulfilling a contract for the purpose
292 of constructing, repairing or remodeling facilities for the following:

293 (a) An exempt entity located in this state, if the entity is one of those
294 entities able to issue project exemption certificates in accordance with the
295 provisions of section 144.062; or

296 (b) An exempt entity located outside the state if the exempt entity is
297 authorized to issue an exemption certificate to contractors in accordance with the
298 provisions of that state's law and the applicable provisions of this section;

299 (37) All sales or other transfers of tangible personal property to a lessor
300 who leases the property under a lease of one year or longer executed or in effect
301 at the time of the sale or other transfer to an interstate compact agency created
302 pursuant to sections 70.370 to 70.441, RSMo, or sections 238.010 to 238.100,
303 RSMo;

304 (38) Sales of tickets to any collegiate athletic championship event that is
305 held in a facility owned or operated by a governmental authority or commission,
306 a quasi-governmental agency, a state university or college or by the state or any
307 political subdivision thereof, including a municipality, and that is played on a
308 neutral site and may reasonably be played at a site located outside the state of
309 Missouri. For purposes of this subdivision, "neutral site" means any site that is
310 not located on the campus of a conference member institution participating in the
311 event;

312 (39) All purchases by a sports complex authority created under section
313 64.920, RSMo;

314 (40) Beginning January 1, 2009, but not after January 1, 2015, materials,
315 replacement parts, and equipment purchased for use directly upon, and for the
316 modification, replacement, repair, and maintenance of aircraft, aircraft power
317 plants, and aircraft accessories;

318 **(41) All gratuities, whether mandatory or voluntary, provided in**
319 **conjunction with the receipt of property or services regardless of**
320 **whether such property or service may be subject to tax under the**
321 **provisions of this chapter.**

Section 1. Notwithstanding any other provision of law, any tax
2 **imposed or collected by any municipality, any county or any taxing**
3 **entity on or related to any transient accommodations, whether imposed**
4 **as a hotel tax, occupancy tax or otherwise, shall apply solely to**
5 **amounts actually received by the operator of a hotel, motel, tavern, inn,**
6 **tourist cabin, tourist camp or other place in which rooms are furnished**
7 **to the public. Under no circumstances shall a travel agent or**
8 **intermediary be deemed an operator of a hotel. This section shall not**
9 **apply if the purchaser of such rooms is an entity that is exempt from**
10 **payment of the tax.**

[143.790. 1. Any hospital or health care provider who has
2 provided health care services to an individual who was not covered
3 by a health insurance policy or was not eligible to receive benefits
4 under the state's medical assistance program of needy persons,
5 Title XIX, P.L. 89-97, 1965 amendments to the federal Social
6 Security Act, 42 U.S.C. Section 301, et seq., under chapter 208,
7 RSMo, and the health insurance for uninsured children under
8 sections 208.631 to 208.657, RSMo, at the time such health care
9 services were administered, and such person has failed to pay for
10 such services for a period greater than ninety days, may submit a
11 claim to the director of the department of health and senior
12 services for the unpaid health care services. The director of the
13 department of health and senior services shall review such claim.If
14 the claim appears meritorious on its face, the claim for the unpaid
15 medical services shall constitute a debt of the department of health
16 and senior services for purposes of sections 143.782 to 143.788, and

17 the director may certify the debt to the department of revenue in
18 order to set off the debtor's income tax refund. Once the debt has
19 been certified, the director of the department of health and senior
20 services shall submit the debt to the department of revenue under
21 the setoff procedure established under section 143.783.

22 2. At the time of certification, the director of the
23 department of health and senior services shall supply any
24 information necessary to identify each debtor whose refund is
25 sought to be set off pursuant to section 143.784 and certify the
26 amount of the debt or debts owed by each debtor.

27 3. If a debtor identified by the director of the department
28 of health and senior services is determined by the department of
29 revenue to be entitled to a refund, the department of revenue shall
30 notify the department of health and senior services that a refund
31 has been set off on behalf of the department of health and senior
32 services for purposes of this section and shall certify the amount of
33 such setoff, which shall not exceed the amount of the claimed debt
34 certified. When the refund owed exceeds the claimed debt, the
35 department shall send the excess amount to the debtor within a
36 reasonable time after such excess is determined.

37 4. The department of revenue shall notify the debtor by
38 certified mail the taxpayer whose refund is sought to be set off that
39 such setoff will be made. The notice shall contain the provisions
40 contained in subsection 3 of section 143.794, including the
41 opportunity for a hearing to contest the setoff provided therein, and
42 shall otherwise substantially comply with the provisions of
43 subsection 3 of section 143.784.

44 5. Once a debt has been set off and finally determined
45 under the applicable provisions of sections 143.782 to 143.788, and
46 the department of health and senior services has received the funds
47 transferred from the department of revenue, the department of
48 health and senior services shall settle with each hospital or health
49 care provider for the amounts that the department of revenue set
50 off for such party. At the time of each settlement, each hospital or
51 health care provider shall be charged for administration expenses
52 which shall not exceed twenty percent of the collected amount.

53 6. Lottery prize payouts made under section 313.321, RSMo,
54 shall also be subject to the setoff procedures established in this
55 section and any rules and regulations promulgated thereto.

56 7. The director of the department of revenue shall have
57 priority to offset any delinquent tax owed to the state of
58 Missouri. Any remaining refund shall be offset to pay a state
59 agency debt or to meet a child support obligation that is enforced
60 by the division of family services on behalf of a person who is
61 receiving support enforcement services under section 454.425,
62 RSMo.

63 8. The director of the department of revenue and the
64 director of the department of health and senior services shall
65 promulgate rules and regulations necessary to administer the
66 provisions of this section. Any rule or portion of a rule, as that
67 term is defined in section 536.010, RSMo, that is created under the
68 authority delegated in this section shall become effective only if it
69 complies with and is subject to all of the provisions of chapter 536,
70 RSMo, and, if applicable, section 536.028, RSMo. This section and
71 chapter 536, RSMo, are nonseverable and if any of the powers
72 vested with the general assembly pursuant to chapter 536, RSMo,
73 to review, to delay the effective date, or to disapprove and annul a
74 rule are subsequently held unconstitutional, then the grant of
75 rulemaking authority and any rule proposed or adopted after
76 August 28, 2007, shall be invalid and void.]

Section B. Because immediate action is necessary to prevent the
2 imposition of sales and use taxes on items that are intended to be exempted or
3 excluded from sales and use taxes, the enactment of sections 144.018 and 1 of this
4 act is deemed necessary for the immediate preservation of the public health,
5 welfare, peace, and safety, and is hereby declared to be an emergency act within
6 the meaning of the constitution, and the enactment of sections 144.018 and 1 of
7 this act shall be in full force and effect upon its passage and approval.

✓